

"A. Employees shall be covered by a plan providing benefits contained in the Wisconsin Physician's Service Program. The City shall pay not more than \$99.50 per month for Family Plan Coverage and not more than \$29.99 per month for Single Plan Coverage."

3. Article XII - Dental Insurance: The City proposes to modify this Article to read as follows:

"The City will pay up to a maximum of \$22.07 per month toward the premium for dental insurance for each employee."

4. Article XXIX - Duration:

- A. The City of Menasha proposes that Paragraph A be amended to read as follows:

"This Agreement shall become effective as of January 1, 1976, and remain in full force and effect to and including December 31, 1977, and shall renew itself for one year periods until and unless either party, prior to August 15, 1977, notifies the other party, in writing, that it desires to alter and/or amend this Agreement."

- B. The City of Menasha proposes that the following paragraph be added to this Article.

"Either the City or the Association may, on or after October 1, 1976, give written notice to the other of its desire to open negotiations on any or all of the following items for the period from January 1, 1977, to December 31, 1977.

(1) Article IX - Rate of Pay: The rates of pay contained in Paragraph A, Compensation Schedule for 1977.

(2) Article XI - Health Insurance: The Amount of the City's monthly payment toward the Family Plan Coverage and Single Plan Coverage, as set forth in Paragraph A, for 1977.

(3) Article XII - Dental Insurance: The amount of the City's monthly payment toward the dental insurance for 1977."

"All other provisions of the contract would be as agreed upon previously by the City and the Association or as in the previous contract between the parties, if not previously discussed in bargaining for the new agreement."

ARBITRATION PROCEEDINGS

The undersigned impartial arbitrator, H. Herman Rauch, was appointed by the Wisconsin Employment Relations Commission by letter dated February 20, 1976. The hearing was conducted in the City Hall of Menasha, Wisconsin, on March 23, 1976. All testimony was given under oath. The arbitrator made a record of the proceedings by means of his tape recorder.

The post-hearing briefs of the parties were exchanged through the arbitrator on April 27, 1976.

PRESENT FOR THE PARTIES

<u>For the City:</u>	Mark F. Vetter [Mulcahy & Wherry, S.C., Milwaukee], Attorney [Witness]	"
	George Protegere Menasha City Clerk	"
	Joseph Skalmoski Menasha Fire Chief	"
<u>For the Association:</u>	Ed Durkin Vice-President, I.A.F.F.	"
	Patrick O'Brien President, Local #695	"
	Mike Dobish Vice-President " "	"
	Clyde Strehlow Secretary " "	"

ARBITRATOR'S FINDINGS

The issues which the "final offers" place before the arbitrator in this case are:

- 1) The salary increase applicable to 1976.

[NOTE: The "Health and Dental Insurance Premium" issue was withdrawn by the Association. It explained that the dollar amounts proposed by the City, applicable to 1976, meet the Association's demands. The parties agreed to negotiate a contract provision which expresses that accord.]

- 2) The Association's proposal which is to become effective in 1977; i.e., a provision requiring that, when an employee in the bargaining unit is assigned to serve, temporarily, in a classification above his own, that employee -- after having so served for 7 days (cumulatively) -- and while so serving, shall be paid the salary rate applicable to the classification involved.
- 3) The matters subject to a re-opener provision to negotiate terms applicable to 1977.
 - a) Salaries.
 - b) Health and Dental Premiums.

[NOTE: The City agrees that the a) and b) issues cited above be re-opened for negotiation.]

The Association proposes that the following matters also be subject to negotiation under the "re-opener provision":

- (1) Work day changes for Lieutenants;
- (2) Fair Share.

Section 111.77 of the Wisconsin Statutes -- the provisions of which are controlling in this proceedings -- states the following:

"(6) In reaching a decision the arbitrator shall give weight to the following factors:

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet these costs.
- (d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 1. In public employment in comparable communities.
 2. In private employment in comparable communities.
- (e) The average consumer prices for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact finding, arbitration or otherwise between the parties, in the public service or in private employment."

The calculations of the parties agree that the difference in the salary-increase offers for 1976 is \$6,930.00 for the year. This means that, if the City is required to pay the 33 employees in the Fire Fighters unit \$70.00 per month more in monthly salary for the entire year (as the Association proposes), it will cost the City \$6,930.00 more--for that item of cost--than under the City's proposal (\$35.00 salary-increase, first 6 months, and an additional \$35.00 increase the last 6 months).

The City calculates that the overall total compensation increase negotiated with the other City employees bargaining units represents a cost increase of approximately 9% over 1975; that the Police Officers unit settled for a total compensation increase (salary and benefits) of 9.05%; that the City's offer to the Fire Fighters represents "a total compensation package of 8.99%" (over 1975) and that the Association's proposed increase represents a "total package" increase of 10.76%, or 1.71% more than any other City unit received.

Other calculations by the City show that the \$70.00 per month salary increase the Police received represents a 7.87% increase for 1976, while the City's offer to the Fire Fighters represents a 7.07% increase in that item for that year; that, if the Association's proposal of a \$70.00 per month increase is awarded, it will produce a wage increase of 9.04% or 1.17% higher than the Police settlement.

Among the items of cost to the City (other than salary) are "in-step increases" and "Health and Dental Insurance Premium" costs. The Fire Fighters have more people eligible for "in-step" increases in 1976 than the Police unit has, and the increases applicable to the Fire Fighters are larger. The result is that this item represents 0.84% of the total package for the Fire Fighters and 0.50% for the Police unit. [City's calculations.]

The Fire Fighters have 97% (32 of 33 people in the unit) in "Family Plan" coverage for Health and Dental care, while the Police unit has only 79% in that type of coverage. This difference in "Family" versus "Single" coverage produces an insurance cost increase equal to 2.63% of the City's offer to Fire Fighters for 1976, compared to 2% in the Police unit increase package. [City's calculations.]

In respect to the inclusion of the "step increase" cost in the City's evaluation of the merits of its proposal, the Fire Fighters argue that "the 1.2% the City includes as a part of their offer is a benefit...awarded by a previous Arbitrator to the Union;" that 1976 "happens to be a year when two Lieutenants were promoted," and that this is "within a two year period" during which "9 men were added to the Fire Department;" that these "are not permanent conditions," and that the result of their inclusion is that "all the Fire Fighters are expected to lose \$210 this year to offset Step increases for some of thier members." [Association's post-hearing Brief, p. 3.]

In respect to Health and Dental costs, the Association argues that the .63% extra value which the City calculates the Fire Fighters have when compared to the Police unit, is distorted by the fact that there are more Fire Fighters (33) than there are Police (28), with relative cost variation for 1975 of \$500,702 and \$481,000, respectively; and also by the fact that the Police unit has "five additional single Policemen," representing a "saving [of] \$18.82 per month" each, and "\$1,129.20 per year for the whole group." The Association contends that, by this manner of calculation, the City is proposing "to deny all [of the Fire Fighters]" the equivalent of "\$17.50 per month" because of the additional "cost for married men." [Association's Brief, p.2.]

The Association calculates that the manner in which the City has figured the cost of its offer to the Fire Fighters produces "\$210 per man less than that of a Police Officer." [Brief, p. 1.] It points out that the "step progression" concept was a part of the arbitration award which produced the 1974-1975 Agreement,--and award which gave the Fire Fighters a consideration which the Police Officers "have had...for years."

Each of the parties presented evidence and arguments pertinent to each of the factors which the Statute contemplates be considered in a proceeding of the nature here involved.

In the opinion of this arbitrator, the wage-rate relationship which the free collective bargaining process has established between the various bargaining units, which represent employees of a public-sector employer, should not be modified to any significant degree through arbitration, unless the evidence establishes that a given unit would thereby be treated unfairly.

This arbitrator is aware that the salary patterns which have developed in the compensation structure applicable to Fire Fighters and Policemen have been of prime importance when the remuneration issue to either of those professional groups is being determined. In this case, the Association presented evidence which indicates that:--

- 1) For the years 1971-1973, the top salary of the Fire Fighters employed by the City of Menasha was \$35.00, \$35.00 and \$30.00, respectively, below the monthly salary of its Patrolmen. It also shows that the salary scale applicable to its Fire Fighters for the years 1974-1975 was determined by an arbitration proceedings.
- 2) For 1976, the City is committed to pay the top-rated Patrolmen a salary of \$1,042.00 per month (an increase of \$70.00 per month over the 1975 rate) [Union Exhibit #5], while it is offering the Fire Fighters a \$35.00 per month increase for the first 6 months of 1976 (to \$940.00 per month) and an additional \$35.00 per month increase (to \$975.00 per month) for the last 6 months of that year. (The Association is proposing a \$70.00 per month increase, to \$975.00, for the entire year.) This means that, under the City's proposal, during the first 6 months of 1976 the Fire Fighters would have a salary of \$102.00 per month below that of the City's Patrolmen and \$67.00 per month lower for the last 6 months.
- 3) Under the City's proposal for 1976, the Fire Fighters would have lost ground to the Patrolmen, since 1973, to the extent of \$72.00 per month during the first 6 months and \$37.00 per month for the last 6 months. Even under the Association's present proposal for 1976, the differential which had been reduced \$5.00 per month to a \$30.00 differential between 1972 and 1973, would now be increased to a differential of \$37.00 per month for 1976 from 1975.

Re: Cost of Health and Dental Premiums

It is apparent that, by the manner the City chose to incorporate the anticipated 2.63% cost of these benefits as a part of its total compensation package, it has the effect of charging the individual Fire Fighter with a proportionate share of the City's total premium liability, regardless of the extent to which that individual is a beneficiary of those programs. The "single" Fire Fighter, in effect, has his salary rate reduced because most of his colleagues are married; while the Policemen, under such a system, can receive a higher monthly salary because a greater proportion of the Policemen are "single" (costing only 2% of the total package that unit settled for.)

This arbitrator is not suggesting that the cost to the City of benefits such as these should be ignored. He is saying, however, that this cost should be so charged in its labor costs that the varying marital status of employees in the various bargaining units is not reflected in the pay structure. The equitable relationship in the wage and salary structure should reflect the relative value of the work which the individual classifications of employees perform for the City.

Re: Automatic Increases

Whether or not a wage or salary structure is equitable is normally evaluated on the basis of the rates payable to employees who have achieved the top rate of their classification. The automatic or "in-step" rates apply to the more recently hired employees who are in some stage of the time progression schedule leading to the top rate.

In this case, the City's total package proposal takes into consideration the fact that, during 1976, it will be subject to pay automatic increases to a number of Fire Fighters at a cost to the City equal to 0.84% of the total package offered. The City's method of calculation of this cost in the package offered to the Fire Fighters unit has the same limitation which this arbitrator expressed in respect to the Health and Dental cost program. He notes that, in the package which the Police unit has accepted for 1976, the cost of this liability is 0.50%. This means that, to the extent that the total package is comparable, the City offers the employees in the top steps of the Fire Fighters unit a lesser monthly salary because that unit has proportionately more people in the progression stages of the work structure than the Police unit has. This introduces a salary rate consideration which is not related to the relative job values of the two types of work covered by those two bargaining units.

CONCLUSION

In the opinion of this arbitrator, the matters discussed above are, in this case, the most significant of all of the factors which are to be given consideration.

The difference in the salary rate proposed by the parties is limited to \$35.00 per month for the first 6 months. The cost of this difference to the City will be \$6,930.00 for 1976. The "roll-up" costs for the various items based on payroll would increase that sum proportionately.

The arbitrator notes that the 1975 costs were established by an arbitrator who ruled on salary related matters for the 1974-1975 Agreement between the parties. There is no evidence in this case which suggests that his findings and conclusions in respect to all of the factors he considered created any inequities, either between bargaining units within the City or between comparable cities. And the arbitrator in the current case finds no evidence which suggests that the Association's offer, in respect to the salary rates for 1976, would create any inequities of that type.

In this arbitrator's opinion, the salary issue is, in this case, the most significant matter before him. The other matters are secondary and far less important to an equitable solution of the issues raised in this case.

Accordingly, based on this arbitrator's findings in respect to the merits of the compensation package offered by the parties, he concludes that the "final offer" proposed by the Association should become a part of the 1976-1977 Agreement.

DECISION: -- That the final position of the Association, as expressed in its March 16, 1976 letter -- the terms of which were cited and quoted earlier in this "OPINION" -- be incorporated as a part of the 1976-1977 Agreement between the parties.

May 17, 1976
Date

H. Herman Rauch /s/
H. Herman Rauch, Impartial Arbitrator